

DEC 27 1978 12 22 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Washington, D. C.

No. 8-361A051

Date DEC 27 1978

Fee \$50.00

ICC Washington, D. C.

Gentlemen:

Enclosed for recordation under the provisions of 49 U.S.C. §11303 are the original and 15 counterparts each of a Conditional Sale Agreement dated as of November 1, 1978 and an Agreement and Assignment dated as of November 1, 1978 relating thereto.

The general description of the railroad rolling stock covered by the enclosed documents is set forth in Schedule A attached to this letter and made a part hereof.

The names and addresses of the parties are:

Owner-Vendors under Conditional Sale Agreement and Assignors under Agreement and Assignment: Pullman Incorporated (Pullman Standard Division) 200 South Michigan Avenue Chicago, Illinois 60604

Portec, Inc
300 Windsor Drive
Oak Brook, Illinois

Vendee under Conditional Sale Agreement:

First Security State Bank
c/o First Security Bank of Utah, N.A.
79 South Main Street
Salt Lake City, Utah 84111
Attention: Corporate Trust Department

Assignee under Agreement and Assignment:

First Security Bank of Utah, N.A.
79 South Main Street
Salt Lake City, Utah 84111
Attention: Corporate Trust Department

The undersigned is one of the Owner-Vendors under the Conditional Sale Agreement and one of the Assignors under the Agreement and Assignment and has knowledge of the matters set forth therein.

Please return the original and 13 copies of the Conditional Sale Agreement and the Agreement and Assignment to Ronald E. Roden, Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

Enclosed is a check in the amount of \$50.00 covering the required recording fee.

Very truly yours,

PULLMAN INCORPORATED
(Pullman Standard Division)

By E. J. [Signature]
Its Vice President

OWNER-VENDOR AS AFORESAID

Counterpart - C. J. Kopylen

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INTERSTATE COMMERCE COMMISSION

DEC 27 1978 12 22 AM

RECORDATION NO. 9943-1 Filed 1425

DESCRIPTION OF EQUIPMENT

TYPE A EQUIPMENT

MANUFACTURER: Pullman Incorporated
(Pullman Standard Division)

PLANT OF MANUFACTURER: Bessemer, Alabama

DESCRIPTION OF EQUIPMENT: 10 70-ton 50' Box Cars, AAR
Mechanical Designation XP
Marked and Numbered WW 2001
through WW 2010, both
inclusive

15 70-ton 50' Box Cars, AAR
Mechanical Designation XM
Marked and Numbered WW 2011
through WW 2025, both
inclusive

SPECIFICATIONS: Pullman's Specification No. 1009
dated May 25, 1978, as amended

BASE PRICE: \$36,320 per Type A Item (XP)
\$35,445 per Type A Item (XM)
(\$894,875 for 25 Type A Items)

MAXIMUM PURCHASE PRICE: \$37,000 per Type A Item
(\$925,000 for 25 Type A Items)

DELIVER TO: Winchester and Western
Railroad Company

PLACE OF DELIVERY: Bessemer, Alabama

ESTIMATED DELIVERY DATES: December, 1978

OUTSIDE DELIVERY DATE: January 15, 1979

(WWR Trust No. 78-1)

SCHEDULE A

DESCRIPTION OF EQUIPMENT

TYPE B EQUIPMENT

MANUFACTURER: Portec, Inc.

PLANT OF MANUFACTURER: Clinton, Illinois

DESCRIPTION OF EQUIPMENT: 75 100-ton 3,000 cu. ft.
Covered Hopper Cars,
Marked and Numbered
WW 1001 through
WW 1075, both
inclusive

SPECIFICATIONS: Specification H100-730628
dated May 11, 1978, including
revisions

BASE PRICE: \$37,391 per Type B Item
(\$2,804,325 for 75 Type B Items)

MAXIMUM PURCHASE PRICE: \$38,256 per Type B Item
(\$2,869,202 for 75 Type B Items)

DELIVER TO: Winchester and Western
Railroad Company

PLACE OF DELIVERY: Clinton, Illinois

ESTIMATED DELIVERY DATES: June - July, 1979

OUTSIDE DELIVERY DATE: September 15, 1979

(WWR Trust No. 78-1)

SCHEDULE A
(continued)

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INTERSTATE COMMERCE COMMISSION

CONDITIONAL SALE AGREEMENT

Dated as of November 1, 1978

Among

PULLMAN INCORPORATED
(PULLMAN STANDARD DIVISION)
And
PORTEC, INC.
Manufacturers

And

FIRST SECURITY STATE BANK,
not in its individual capacity but solely as Trustee
Vendee

(WWR Trust No. 78-1)
(25 Box Cars and 75 Covered Hopper Cars)

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ATTACHMENTS TO CONDITIONAL SALE AGREEMENT:

Schedule A - Description of Equipment,
Type A and B

Schedule B - Amortization Schedule

CONDITIONAL SALE AGREEMENT

This CONDITIONAL SALE AGREEMENT dated as of November 1, 1978 (this "Agreement") is among PULLMAN INCORPORATED (PULLMAN STANDARD DIVISION) ("Pullman") and PORTEC, INC. ("Portec") (Pullman and Portec are hereinafter collectively referred to as the "Manufacturers" and individually as a "Manufacturer") and FIRST SECURITY STATE BANK, a Utah banking corporation, not in its individual capacity but solely as Trustee (the "Vendee") under a Trust Agreement dated as of November 1, 1978 (the "Trust Agreement") with Dial Leasing Corporation, an Iowa corporation (the "Trustor").

R E C I T A L S:

A. Each Manufacturer is willing to construct, sell and deliver to the Vendee, and the Vendee is willing to purchase, the railroad equipment described in Schedule A attached hereto. The railroad equipment to be constructed by Pullman is hereinafter referred to collectively as the "Type A Equipment" and individually as a "Type A Item of Equipment" and the equipment to be constructed by Portec is hereinafter referred to collectively as the "Type B Equipment" and individually as a "Type B Item of Equipment". The Type A Equipment and the Type B Equipment is hereinafter referred to collectively as the "Equipment" and individually as an "Item" or "Item of Equipment"; and

B. The following terms shall have the following meanings unless the context shall otherwise require:

1. "Participation Agreement" shall mean the Participation Agreement dated as of November 1, 1978 among the Lessee, the Guarantor, the Trustor, the Vendee, the Assignee and certain investors named therein (the "Investors");

2. "Assignment" shall mean the Agreement and Assignment dated as of November 1, 1978 among the Manufacturers and the Assignee;

3. "Assignee" shall mean First Security Bank of Utah, N.A., a national banking association, as agent and assignee under the Assignment and its successors in interest thereunder;

4. "Guarantor" shall mean UNIMIN Corporation, a Delaware corporation;

5. "Guaranty Agreement" shall mean the Guaranty Agreement dated as of November 1, 1978 of the Guarantor.

6. "Lease" shall mean the Equipment Lease dated as of November 1, 1978 between the Vendee, as lessor, and the Lessee; and

7. "Lessee" shall mean Winchester and Western Railroad Company, a Virginia corporation.

8. "Purchase Order Assignment" shall mean the Purchase Order Assignment dated as of November 1, 1978 between ITEL and the Vendee.

9. "ITEL" shall mean ITEL Corporation, a Delaware corporation.

In consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

SECTION 1. CONSTRUCTION AND SALE.

Each Manufacturer will construct, sell and deliver to the Vendee, and the Vendee will purchase from such Manufacturer and accept delivery of and pay for as hereinafter provided, those Items of Equipment which are indicated on Schedule A attached hereto to be constructed and sold by such Manufacturer, each Item of which shall be constructed in accordance with the applicable specifications referred to in said Schedule with such modifications thereof as may be agreed upon in writing by the Vendee, the Lessee and the Manufacturer (which specifications and modifications, if any, are hereinafter called the "Specifications"). The design and quality of equipment and material in such Items shall conform to all Department of Transportation and/or the Interstate Commerce Commission requirements and specifications for new railroad equipment, if any, and to all standards of the Association of American Railroads, if any (and, in each case, any successor organization) applicable to new railroad equipment of the character of such Items as of the date of this Agreement.

SECTION 2. DELIVERY.

2.1. Each Manufacturer will deliver the various Items of Equipment to be manufactured by it to the Vendee in accordance with the applicable delivery schedule set forth in Schedule A attached hereto; provided, however, that the Manufacturers shall have no obligation to deliver any Item of Equipment hereunder so long as any Event of Default pursuant to Section 15.1 hereof shall have occurred and be continuing. Each Manufacturer agrees not to deliver and the Vendee shall have no obligation to accept

any Item of Equipment following receipt of notice by such Manufacturer from the Vendee, the Lessee or the Assignee that any Event of Default pursuant to Section 15.1 hereof has occurred and is continuing.

2.2. Each Manufacturer's obligation as to time of delivery is subject, however, to delays resulting from causes beyond such Manufacturer's reasonable control, including, but not limited to, acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riots or civil commotion, sabotage, strikes, differences with workmen, accidents, fire, flood, explosion, damage to plant, equipment or facilities, or delays in receiving necessary materials or delays of carriers or subcontractors.

2.3. Notwithstanding the foregoing provisions in this Section 2, the Vendee shall not be obligated hereunder to accept and pay for any Equipment not delivered and accepted on or before the outside delivery date provided therefor in Schedule A attached hereto. Any Item of Equipment not so delivered and accepted pursuant to Sections 2.1 and 2.4 hereof shall be excluded from this Agreement and not included in the term "Equipment" as used in this Agreement. In the event of any such exclusion the Vendee and the Manufacturer of such Item shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not excluded herefrom and such Manufacturer agrees to look solely to the obligations of ITTEL pursuant to the Purchase Order Assignment in respect of such excluded Item of Equipment.

2.4. The Equipment during construction shall be subject to inspection by an inspector or other authorized representative of the Lessee and the Vendee. Upon completion of a Group (as defined in Section 3.2 hereof) of Items of Equipment, such Group shall be presented to an inspector of the Lessee for inspection at the place specified for delivery of such Group. Acceptance of any Items of Equipment by the Lessee under Section 1.2 of the Lease shall be deemed to be acceptance of such Items by the Vendee hereunder, and if such Items shall have been constructed in accordance with Section 1 hereof, the Vendee agrees to cause the Lessee to furnish the Certificate or Certificates of Acceptance under the Lease to the Manufacturer thereof in such number of counterparts as may be reasonably requested. Any Item of Equipment which is not accepted by the Lessee in accordance with the provisions hereof shall be excluded from this Agreement and shall not be included in the term Equipment as used in this Agreement.

2.5. The Manufacturers of the Equipment shall bear the risk of loss thereof or damage thereto until delivery to and acceptance by the Lessee pursuant to Section 2.4 hereof. Upon delivery and acceptance by the Lessee of each of such Items of Equipment, the Vendee shall bear the risk of loss of or damage to such Items as between the Vendee and the Manufacturers.

SECTION 3. PURCHASE PRICE AND PAYMENT.

3.1. The base price per Item of Equipment, including shipping and delivery charges, if any, to place of delivery, and storage charges, if any, prior to delivery, but exclusive of interest, insurance and all other charges, is as set forth in Schedule A attached hereto. Such base price per Item of Equipment shall be subject to increase or decrease as may be agreed to by the Manufacturer thereof and the Lessee as set forth in an invoice from such Manufacturer to the Vendee accompanied by or having endorsed thereon a certification by the Lessee as to the correctness of the price of such Item as set forth in said invoice, and the term "Purchase Price" as used herein shall mean the price certified therein; provided that the Purchase Price for all Equipment delivered by a Manufacturer shall not exceed the Maximum Purchase Price set forth in Schedule A for such Manufacturer. If the Purchase Price of any Item of Equipment then ready to be delivered by such Manufacturer hereunder and under the Lease would, upon such delivery, cause the aggregate Purchase Price for all Items of Equipment constructed by such Manufacturer and theretofore delivered hereunder, when taken together with the Purchase Price of such additional Item of Equipment, to exceed the Maximum Purchase Price for all Items of Equipment delivered by such Manufacturer as stated in Schedule A hereto, then such Manufacturer agrees that it will withhold delivery of such Item of Equipment and all other Items of Equipment constructed by such Manufacturer and then remaining undelivered hereunder and under the Lease and the Vendee and such Manufacturer agree that they will enter into an agreement excluding from this Agreement such Item or Items of Equipment and such Manufacturer agrees to look solely to the obligation of ITEL pursuant to the Purchase Order Assignment in respect of such excluded Equipment.

3.2. For the purpose of making settlement for the Equipment, the Equipment shall be divided into not more than three groups of Items of Equipment, or such other number as shall be agreed to by the parties hereto, the Lessee and the Assignee (each such group of Items being hereinafter called a "Group"). The first Group shall consist of all of the Type A Items of Equipment and the second and third Groups shall consist of all of the Type B Items of Equipment.

3.3. The Vendee hereby acknowledges itself to be indebted to the respective Manufacturers in the amount of, and hereby unconditionally and irrevocably promises to pay to the respective Manufacturers at such bank or trust company in the United States of America as the Manufacturers shall designate for payment to it, the Purchase Price of the Items of Equipment as follows:

(a) On each Closing Date an amount equal to 30.15% of the aggregate Purchase Price for all Type A Items of Equipment or, as the case may be, 30.1284% of the aggregate Purchase Price for

all Type B Items of Equipment in the Group for which settlement is then being made; and

(b) An amount (herein sometimes called the "Conditional Sale Indebtedness") equal to the difference between the aggregate Purchase Price for all Items of Equipment in the Group for which settlement is then being made and the aggregate amount paid pursuant to subparagraph (a) of this Section 3.3 plus interest on the unpaid balance thereof payable in installments, as follows:

(1) The Conditional Sale Indebtedness with respect to the first Group consisting of the Type A Equipment shall be payable in installments as follows:

(A) One installment of interest only at a rate per annum equal to 120% of the Prime Rate from time to time in effect for the period from and including the Closing Date for such Group to but not including January 15, 1979, payable on January 15, 1979, followed by

(B) 216 monthly installments, including both principal and interest at the rate of 10-1/2% per annum, payable on February 15, 1979 and on the fifteenth day of each calendar month thereafter to and including January 15, 1997 in the amount set forth in Schedule B hereto;

(2) The Conditional Sale Indebtedness with respect to the second and third Groups consisting of the Type B Equipment shall be payable in installments as follows:

(A) One installment of interest only at a rate per annum equal to 120% of the Prime Rate from time to time in effect for the period from and including the Closing Date for such Group to but not including September 15, 1979, payable on September 15, 1979, followed by

(B) 216 monthly installments, including both principal and interest at the rate of 10-1/2% per annum,

payable on October 15, 1979 and on the fifteenth day of each calendar month thereafter to and including September 15, 1997 in the amount set forth in Schedule B hereto.

The term "Prime Rate" shall mean the rate of interest charged by Bank of America, National Trust and Savings Association, from time to time to its largest and most credit-worthy commercial borrowers on 90-day commercial loans. All payments due pursuant to subparagraph (a) above shall be made by wire transfer of immediately available funds and all payments pursuant to subparagraph (b) above shall be made by check drawn on a bank located in the continental United States.

3.4. The term "Closing Date" with respect to each Group shall mean such date (which is not more than ten business days following presentation by the Lessee to the Manufacturer of an invoice or invoices, certified by the Lessee, setting forth the Purchase Price of such Group) as shall be fixed by the Lessee by written or telegraphic notice delivered to the Vendee, the Manufacturer and the Assignee at least five business days prior to the Closing Date designated therein; provided that the Closing Date for the first Group shall not be later than January 15, 1979 and the Closing Date for the second and third Groups shall not be later than September 15, 1979.

3.5. The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and holidays on which banks in the State of Connecticut or Utah are authorized or required to close. If any date on which a payment is to be made hereunder is not a business day, the amount otherwise payable on such date shall be payable on the next succeeding business day, and no interest on such amount shall accrue for the period from and after the nominal date for payment thereof to such next succeeding business day.

3.6. Interest under this Agreement shall be determined on the basis of a 360-day year of twelve 30-day months.

3.7. The Vendee will pay interest at the rate of 11-1/2% per annum upon all unpaid balances of indebtedness and (to the extent legally enforceable) upon interest, after the same shall have become due and payable pursuant to the terms hereof, anything herein to the contrary notwithstanding.

3.8. All payments provided for in this Agreement shall be made by the Vendee in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

3.9. Except as provided in Section 6.1 hereof the Vendee shall not have the privilege of prepaying any installment of the indebtedness prior to the date it becomes due hereunder.

3.10. The obligations of the Vendee under this Agreement to accept delivery of and to pay for any Items of Equipment shall, in addition to any conditions herein set forth, be subject to the satisfaction of the conditions of the Trustor set forth in Sections 4.1 and 4.2 of the Participation Agreement.

SECTION 4. TITLE TO THE EQUIPMENT.

4.1. Each Manufacturer shall and hereby does retain the full security title to and property in the Equipment built by it until the Vendee shall have kept and performed all its agreements herein contained, notwithstanding the delivery of the Equipment to and the possession and use thereof by the Vendee or the Lessee as herein provided. Any and all additions to the Equipment which become the property of the Vendee pursuant to the Lease and any and all replacements of the Equipment and of parts thereof shall constitute accessions to the Equipment and shall be subject to all terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

4.2. When and only when each Manufacturer shall have been paid the full indebtedness in respect of the Purchase Price of the Equipment built by it, together with interest and all other payments as herein provided and all the Vendee's other obligations herein contained shall have been performed, absolute right to the possession of, title to and property in such Equipment shall pass to and vest in the Vendee without further transfer or action on the part of such Manufacturer, except that such Manufacturer, if requested by the Vendee so to do, will, at the cost and expense of the Vendee, execute a bill or bills of sale for such Equipment releasing its security title thereto and property therein to the Vendee or upon its order free of all liens and encumbrances created or retained hereby and deliver such bill or bills of sale to the Vendee at its address specified in Section 20 hereof, and will, at the cost and expense of the Vendee, execute in the same manner and deliver at the same place, for filing, registering, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Vendee to such Equipment, and will pay to the Vendee any money paid to such Manufacturer, pursuant to Section 6 hereof and not theretofore applied as provided therein. The Vendee hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such bill or bills of sale or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bill or bills of sale or to file such certificate within a reasonable time after written demand by the Vendee.

SECTION 5. MARKING OF EQUIPMENT.

The Vendee will use its best efforts to cause the Lessee to keep each Item of Equipment marked as contemplated by Section 4 of the Lease.

SECTION 6. CASUALTY OCCURRENCES; EARLY TERMINATION.

6.1. In the event that any Item of Equipment shall be or become lost, stolen, destroyed or, in the opinion of the Lessee pursuant to Section 11.2 of the Lease, irreparably damaged, or shall be requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for a stated term which exceeds the then remaining term of the Lease (any such occurrence being hereinafter referred to as a "Casualty Occurrence"), or in the event the Lessee shall notify the Vendee that the Lease shall be terminated with respect to any Type of Equipment pursuant to Section 11.4 of the Lease, the Vendee shall promptly and fully, after it has actual knowledge thereof, inform the Assignee in regard thereto. When any Item of Equipment suffers a Casualty Occurrence, the Vendee on the next following due date for the payment of the Conditional Sale Indebtedness after it shall obtain knowledge of a Casualty Occurrence shall pay to the Manufacturer thereof a sum equal to the Casualty Payment (as defined in Section 6.4 hereof) of such Item as of the date of such payment. If the Vendee is notified that the Lease shall be so terminated with respect to any Type of Equipment, the Vendee shall, on the Termination Date (as defined in the Lease) with respect to such Equipment, pay to the Manufacturer thereof a sum equal to the Termination Payment (as defined in Section 6.4 hereof) of such Equipment as of the date of such payment. Each such payment shall be accompanied by notification from the Vendee identifying the amount thereof and stating that said payment constitutes a Casualty Payment or a Termination Payment, as the case may be. Promptly following such payment, the Vendee will furnish to the Assignee, the Trustor and the Lessee a revised schedule of payments of principal and interest thereafter to be made hereunder in such number of counterparts as any such party may reasonably request.

6.2. (a) The Manufacturer shall, immediately upon receipt thereof, apply any Casualty Payment deposited pursuant to Section 6.1 to the prepayment of that portion of the Conditional Sale Indebtedness in respect of the Purchase Price of any Item of Equipment having suffered a Casualty Occurrence, plus interest then accrued on the portion thereof so prepaid, but without premium. The monthly payments of installment of principal of and interest on the Conditional Sale Indebtedness relating to the remaining Equipment and interest thereon becoming due thereafter shall be redetermined on the basis of the amount of such Conditional Sale Indebtedness remaining unpaid and on the basis of the number of monthly payments remaining immediately after such application.

(b) The Manufacturer shall, immediately upon receipt thereof, apply any Termination Payment deposited pursuant to

Section 6.1 to the prepayment of that portion of the Conditional Sale Indebtedness in respect of the Purchase Price of each Item of Equipment in respect of which the Lease has been so terminated plus interest then accrued on the portion thereof so prepaid, with premium thereon as set forth in Section 6.4 hereof.

6.3. Upon payment to the Manufacturer of the Casualty Payment or a Termination Payment, as the case may be, in respect of an Item of Equipment having suffered a Casualty Occurrence or in respect of which the Lease has been so terminated, absolute right to the possession of, title to and property in such Item shall automatically pass to and vest in the Vendee without further transfer or action on the part of the Manufacturer thereof. The Manufacturer, if requested by the Vendee, will execute and deliver to the Vendee, at its address specified in Section 20 hereof, at the expense of the Vendee, appropriate instruments confirming such release to the Vendee of security title to and property in such Item, free of all liens and encumbrances created or retained hereby, in recordable form in order that the Vendee may make clear upon the public records the title of the Vendee to such Item.

6.4. (a) The Casualty Payment in respect of each Item of Equipment having suffered a Casualty Occurrence shall be deemed to be that portion of the Conditional Sale Indebtedness related to such Item remaining unpaid on the date as of which such Casualty Payment shall be determined, plus interest accrued thereon but unpaid as of such date.

(b) The Termination Payment in respect of each Item of Equipment in respect of which the Lease has been terminated pursuant to Section 11.4 thereof shall be deemed to be that portion of the Conditional Sale Indebtedness relating to such Item remaining unpaid on the Termination Date on which such Termination Payment shall be made, plus interest accrued thereon but unpaid as of such date, together with a premium equal to the following respective percentages of the principal amount then being prepaid:

<u>Type A Equipment</u>		<u>Type B Equipment</u>	
If Prepaid in the 12-month period beginning <u>January 15</u>	Premium (Percentage of Principal Amount)	If Prepaid in the 12-month period beginning <u>September 15</u>	Premium (Percentage of Principal Amount)
1991	5.00%	1991	5.00%
1992	4.17%	1992	4.17%
1993	3.34%	1993	3.34%
1994	2.51%	1994	2.51%
1995	1.68%	1995	1.68%
1996	0.83%	1996	0.83%

6.5. In the event that prior to the expiration of the term of the Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise, so long as such requisition or taking does not constitute a Casualty Occurrence pursuant to Section 6.1 hereof, then the Vendee's duty to pay the indebtedness in respect of the Purchase Price thereof shall continue for the duration of such requisitioning or taking. The Vendee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession.

SECTION 7. REPORTS AND INSPECTIONS.

The Manufacturers shall have the right, by their agents, to inspect the Equipment whenever it is available for such inspection and to further inspect the records of the Vendee with respect thereto once in every year.

SECTION 8. POSSESSION AND USE.

8.1. The Vendee, so long as it shall not be in default under this Agreement, shall be entitled, from and after delivery of the Equipment by the Manufacturers to the Vendee, to the quiet use, possession and enjoyment of the Equipment, but only upon and subject to all the terms and conditions of this Agreement.

8.2. The Vendee may lease the Equipment to the Lessee or its assigns as permitted by, and for use as provided in Section 17 of the Lease, and it is hereby acknowledged and agreed that the rights of the Manufacturers under this Agreement are subject to the rights and interest of the Lessee under the Lease. The Lease shall not be amended or terminated without the prior written consent of the Manufacturers, which consent shall not be unreasonably withheld.

SECTION 9. PROHIBITION AGAINST LIENS.

9.1. The Vendee will pay or satisfy and discharge any and all sums claimed by any party by, through or under the Vendee or its successors or assigns (other than the Lessee or its respective assigns) which, if unpaid, might become a lien or a charge upon any Item of Equipment equal or superior to the security title of the Manufacturers, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Manufacturers, adversely affect the property or rights of the Manufacturers hereunder.

9.2. This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies,

in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

SECTION 10. INDEMNITIES.

10.1. The Vendee shall cause the Lessee to assume all risk and expense arising from the possession, use, operation and maintenance of the Equipment.

10.2. Except to the extent provided in Section 2.5 hereof, the Vendee will bear the risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any Item or of all the Equipment.

10.3. Each Manufacturer warrants that the Items of Equipment to be built by it will be built in accordance with the Specifications therefor and warrants that such Items of Equipment will be free from defects in material (except as to specialities incorporated therein and not manufactured by the Manufacturer, in respect of which the Manufacturer hereby appoints and constitutes the Vendee its agent and attorney-in-fact to assert and enforce from time to time in the name of such Manufacturer but for the account of the Vendee and in all cases at the sole cost and expense of the Vendee whatever claims and rights such Manufacturer may have against the manufacturer of the speciality) or workmanship under normal use and service, such Manufacturer's obligation under this warranty being limited to repairing or replacing at its plant any part or parts of any such Item of Equipment, which shall, within one year after the delivery of such Item of Equipment to the Vendee, be returned to such Manufacturer with transportation charges prepaid and which such Manufacturer's examination shall disclose to its satisfaction to have been thus defective; provided, however, that this warranty shall not apply to (i) any components which shall have been repaired or altered unless repaired or altered by such Manufacturer or its authorized service representatives, if, in its judgment, such repairs or alterations affect the stability of any such Item of Equipment or (ii) any such Item of Equipment which has been subject to misuse, negligence or accident. Any claim by the Vendee for breach of the foregoing warranty shall be deemed waived unless submitted in writing to such Manufacturer within ten (10) days from the date the Vendee discovered, or by reasonable inspection should have discovered, the breach. Any cause of action for breach of this warranty must be brought within one year from the date the alleged breach occurs. THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND OF ALL OTHER OBLIGATIONS OR LIABILITIES ON THE PART OF SUCH MANUFACTURER, EXCEPT FOR ITS OBLIGATION HEREUNDER AS LIMITED HEREBY, AND SUCH MANUFACTURER NEITHER ASSUMES NOR AUTHORIZES ANY PERSON TO ASSUME FOR IT ANY

OTHER LIABILITY IN CONNECTION WITH THE CONSTRUCTION AND DELIVERY OF THE EQUIPMENT EXCEPT AS AFORESAID AND EXCEPT FOR PATENT INDEMNITIES CONTAINED IN SECTION 13 HEREOF. Each Manufacturer reserves the right to make changes in the design of, or add any improvements to, any Items of Equipment to be built by it at any time with the approval of the Lessee. Each Manufacturer further agrees with the Vendee that acceptance of any Items of Equipment under Section 2.4 hereof shall not be deemed a waiver by the Vendee of any of its rights under Section 12.3 hereof.

10.4. It is hereby agreed that the Lessee shall be and is hereby constituted a third party beneficiary to each of the covenants and agreements of the Manufacturers expressed in this Section 10.

SECTION 11. PATENT INDEMNITIES.

11.1. Except in cases of designs specified by the Lessee and not developed or purported to be developed by a Manufacturer, and articles and materials specified by the Lessee and not manufactured by such Manufacturer, each Manufacturer agrees for itself to indemnify, protect and hold harmless the Vendee and the Lessee from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendee or the Lessee because of the use in or about the construction or operation of any Item of Equipment to be built by it, of any design, article or material which infringes or is claimed to infringe on or which is claimed to constitute contributory infringement with respect to any patent or other right. In case any Item of Equipment is held to constitute infringement of any patent or other similar right in respect of which liability may be charged against such Manufacturer, and the use of any Item of Equipment is enjoined, such Manufacturer shall, at its own expense and at its option, either procure for the Vendee and the Lessee the right to continue using such Item of Equipment or replace the same, within six months of such injunction, with non-infringing equipment acceptable to the Vendee and the Lessee, or modify it so it becomes non-infringing, or remove the infringing portion of the Item of Equipment and refund the purchase price and the transportation and installation costs of such portion, but in each case without impairing the operational capacity of such Item of Equipment. Without intending any limitation of the foregoing, each Manufacturer agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, transfer, assign, set over and deliver to the Vendee every claim, right and cause of action which such Manufacturer has or hereafter shall have against the originator of any design or against the seller or sellers of any designs or articles or materials purchased or otherwise acquired by such Manufacturer for use in or about the construction or operation of the Items of Equipment to be built by it on the ground that any such design, article or material or operation

thereof infringes or is claimed to infringe on or to constitute contributory infringement with respect to any patent or other right and each Manufacturer further agrees to execute and deliver to the Vendee all and every such further assurance as may be reasonably requested by the Vendee, more fully to effectuate the assignment, transfer and delivery of every such claim, right and cause of action. Each Manufacturer will give notice to the Vendee and the Lessee of any claim known to such Manufacturer from which liability may be charged against the Vendee or the Lessee hereunder and the Vendee will give notice to each Manufacturer of any claim known to it from which liability may be charged against such Manufacturer hereunder.

11.2. The term "design" wherever used in this Agreement or in any assignment of this Agreement shall be deemed to include formulae, systems, processes and combinations.

11.3. The obligations and liabilities of the Manufacturers under this Section shall apply only to Equipment located and used in the United States, Canada and Mexico.

11.4. It is hereby agreed that the Lessee shall be and is hereby constituted a third party beneficiary to each of the covenants and agreements of the Manufacturers expressed in this Section 11.

SECTION 12. ASSIGNMENTS.

12.1. The Vendee will not, except as otherwise provided in the Trust Agreement, sell, assign, transfer or otherwise dispose of its rights under this Agreement or, except as provided in Section 8.2 hereof, transfer the right to possession of any Item of Equipment without first obtaining the written consent of the Manufacturers, which consent shall not be unreasonably withheld. Except as otherwise provided in this Agreement, no such sale, assignment or transfer shall subject the Manufacturers to any duty, obligation or liability whatsoever.

12.2. All or any of the rights, benefits and advantages of the Manufacturers under this Agreement, including the right to receive the payments herein provided to be made by the Vendee, may be assigned by the Manufacturers and reassigned by an assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve the Manufacturers from, any of the obligations of the Manufacturers to construct and to deliver the Equipment in accordance with the provisions hereof or to respond to its guaranties, warranties and agreements contained in Sections 10.3, 11 and 12.5 (with respect to marking) in this Agreement or relieve the Vendee of its obligations to the Manufacturers hereunder except as provided in Section 12.3 hereof.

12.3. Upon any such assignment either the assignor or the assignee shall give written notice to the Vendee and the

Lessee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all of the assigning Manufacturer's right, security title and interest in and to the Equipment, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Vendee and the Lessee, respectively, of the notification of any such assignment, all payments thereafter to be made by the Vendee hereunder shall, to the extent so assigned, be made to the assignee at the address of the assignee specified in the aforesaid notice.

12.4. The Vendee understands that the assignment of this Agreement, or of some or all of the rights of the Manufacturers hereunder, is contemplated to the Assignee. The Vendee expressly represents, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Manufacturers hereunder, and for the purpose of inducing such acquisition, that in the event of such assignment by the Manufacturers as hereinbefore provided the rights of such assignee to the entire unpaid Conditional Sale Indebtedness or such part thereof as may be assigned, together with the interest and premium, if any, thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Manufacturers with respect to the Equipment or the delivery or warranty thereof, or with respect to any indemnity herein contained, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee by the Manufacturers. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Vendee against and only against the Manufacturers.

12.5. In the event of any such assignment or successive assignments by the Manufacturers of security title to the Equipment and of the Manufacturers' rights hereunder with respect thereto, the Vendee will, whenever requested by such assignee, change the names and word or words to be marked on each side of each Item of Equipment or, in the event such Item shall then be leased to the Lessee, the Vendee will use its best efforts to cause the Lessee pursuant to Section 4 of the Lease to change the names and word or words to be marked on each side of such Item, so as to indicate the security title of such assignee to the Equipment with such names and word or words as shall be specified by such assignee, subject to the requirements of the laws of the jurisdictions in which the Equipment shall be operated relating to such names and word or words for use on equipment covered by conditional sale agreements with respect to railroad equipment. The cost of marking such names and word or words with respect to the first assignee of this Agreement (or to a successor agent or trustee in case the first assignee is an agent or trustee) and with respect to the Vendee shall be borne by the Manufacturers. The cost of marking such names and word or words in

connection with any subsequent assignment (other than to a successor agent or trustee if the first assignee is an agent or trustee) will be borne by the subsequent assignee.

12.6. In the event of any such assignment prior to the completion of delivery of the Equipment, the Vendee will, in connection with settlement for any Group of Equipment subsequent to such assignment, deliver to the assignee, at the time of delivery of notice fixing the Closing Date with respect to such Group, all documents reasonably required by the terms of such assignment to be delivered by the Vendee to the assignee in connection with such settlement, in such number of counterparts as may reasonably be requested.

12.7. If this Agreement shall have been assigned by the Manufacturers and the assignee shall not make payment to a Manufacturer on the Closing Date with respect to a Group of Equipment for Items of Equipment designated herein as included in such Group of an amount equal to that portion of the purchase price of such Items of Equipment included in such Group as provided in the instrument of assignment, such Manufacturer will promptly notify the Vendee and the Lessee of such event, such Items of Equipment included in the Group shall be excluded thereupon and such Manufacturer agrees to look solely to the obligations of ITEL pursuant to the Purchase Order Assignment in respect of such excluded Equipment.

SECTION 13. LIMITATION OF VENDEE'S OBLIGATIONS.

13.1. It is expressly understood and agreed by and between the Vendee and the Manufacturers and their respective successors and assigns that this Agreement is executed by First Security State Bank not individually or personally but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee (and First Security State Bank hereby warrants that it possesses full power and authority to enter into and perform this Agreement), that each and all of the representations, undertakings and agreements herein made on the part of the Vendee are each and every one of them made and intended not as personal representations, undertakings and agreements by the Vendee or the Trustor, or for the purpose or with the intention of binding the Vendee or the Trustor personally, but are made and intended for the purpose of binding only the Trust Estate as defined in the Trust Agreement, that this Agreement is executed and delivered by the Vendee solely in the exercise of the powers expressly conferred upon the Vendee as trustee under the Trust Agreement, that actions to be taken by the Vendee pursuant to its obligations hereunder may, in certain instances, be taken by the Vendee only upon specific authority of the Trustor, that, except in the case of gross negligence or wilful misconduct of the Vendee or the Trustor, nothing herein contained shall be construed as creating any liability on First Security State Bank, or on the Trustor individually or personally, or any incorporator or any past, present or future subscriber

to the capital stock of, or stockholder, officer or director of, First Security State Bank or the Trustor, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the Manufacturers and by each and every person now or hereafter claiming by, through or under the Manufacturers, and that so far as First Security State Bank or the Trustor or the Manufacturers, individually or personally are concerned, the Manufacturers and any person claiming by, through or under the Manufacturers shall look solely to the Trust Estate as defined in the Trust Agreement for payment of the Conditional Sale Indebtedness, together with interest thereon and all other payments and obligations set forth herein; provided that nothing in this Section 13.1 shall be construed to limit in scope or substance those representations, warranties and agreements of First Security State Bank in its individual capacity set forth in the Participation Agreement. Nothing in this Section 13 shall limit any rights of the Manufacturers under this Agreement against the Lessee. The term "Vendee" as used in this Agreement shall include any trustee succeeding the Vendee as trustee under the Trust Agreement or the Trustor if the trust created thereby is revoked. Nothing contained in this Agreement shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Trustee thereunder.

13.2. Without limiting the effect of Section 13.1 hereof, the obligations of the Vendee under Sections 2.4, 5, 6.1, 9.1, 10.1, 12.5, 16.2 and 19 hereof shall be deemed in all respects satisfied by the Lessee's undertakings contained in the Lease. The Vendee shall not have any responsibility for the Lessee's failure to perform such undertakings, but if the same shall not be performed they shall constitute the basis for an Event of Default hereunder pursuant to Section 15 hereof.

SECTION 14. APPLICATION OF PROVISIONS OF SECTION 15, "DEFAULTS", AND SECTION 16, "REMEDIES".

It is contemplated that each Manufacturer will, coincidentally with the execution and delivery of this Agreement, assign certain of its rights under this Agreement, and all its respective right, security title and interest in and to the Equipment to a single assignee. It is desired by the parties hereto that such single assignee should upon such assignment be entitled to enforce any remedies in case of default by the Vendee in respect of its obligations under this Agreement with any of the Manufacturers as if such breach were a default in respect of the Vendee's obligations under this Agreement with each of the Manufacturers. Accordingly, on the assumption that such assignments to a single assignee will be made by each Manufacturer, the defaults and the remedies therefor as set forth in Sections 15 and 16 hereof are set forth as if there were but a single Manufacturer.

SECTION 15. DEFAULTS.

15.1. In the event that any one or more of the following Events of Default shall occur and be continuing, to-wit:

(a) The Vendee shall fail to pay in full any sum payable by the Vendee when payment thereof shall be due under Section 3 or 6 hereof and such default shall continue for five days after the Lessor shall notify the Lessee in writing of such default and demand that the same be remedied;

(b) The Vendee shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any Item of Equipment, or any portion thereof;

(c) The Vendee shall fail or refuse to comply with any covenant, agreement, term or provision of this Agreement or the Participation Agreement or to make provision satisfactory to the Manufacturer for such compliance for more than 30 days after written notice from the Manufacturer specifying the default and demanding the same to be remedied;

(d) Any representation or warranty made by the Vendee herein or in any statement or certificate furnished to the Manufacturer or any assignee of the Manufacturer pursuant to or in connection with this Agreement, the Assignment, the Lease or the Participation Agreement is untrue in any material respect as of the date of issuance or making thereof and shall continue to be untrue; or

(e) An Event of Default shall have occurred and be continuing under the Lease; or

(f) Any proceedings shall be commenced by or against the Vendee under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the obligations of the Vendee under this Agreement), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Vendee under this Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification)

for the Vendee or for the property of the Vendee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

then at any time after the occurrence and during the continuance of such an Event of Default the Manufacturer may, upon written notice to the Vendee and upon compliance with any legal requirements then in force and applicable to such action by the Manufacturer, but without prejudice to any rights of the Vendee under the Lease with respect to any default thereunder, declare the entire Conditional Sale Indebtedness, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such declaration at the rate of 11.50% per annum, to the extent legally enforceable, and the Manufacturer shall thereupon be entitled, subject to the provisions and limitations of Section 13 hereof, to recover judgment for the entire unpaid balance of the Conditional Sale Indebtedness so payable, with interest as aforesaid, and to collect such judgment out of any property of the Vendee.

15.2. In addition to the right of the Vendee to elect to cure a default hereunder as provided in Section 15.4 hereof, and notwithstanding the rights of the Manufacturer otherwise expressed in Section 15.1 hereof, in the case of any Event of Default in respect of the payment of Fixed Rental under the Lease, the Manufacturer may not, without the prior written consent of the Vendee and the Trustor, exercise any of the rights or remedies provided herein or in the Lease during a 15-day period following the giving of written notice of such Event of Default by the Manufacturer to the Vendee. During such 15-day period (unless any other Event of Default shall have occurred and be continuing) the Vendee and/or the Trustor shall have the right to cure any such Event of Default on behalf of the Lessee by paying to the Manufacturer an amount equal to any principal and interest (including interest, if any, on overdue payments of principal and interest) then due and payable in respect of the Conditional Sale Indebtedness; provided that such right to cure such Events of Default shall be limited to not more than six consecutive Fixed Rental payments and in any event to not more than nine Fixed Rental payments in the aggregate. Any Event of Default so cured shall be deemed not to be continuing. No party exercising the right to cure an Event of Default pursuant to this Section 15.2 shall obtain any lien, charge or encumbrance of any kind on any Item of Equipment or any rentals or other amounts payable therefor under the Lease in respect of any sums paid or expenses incurred in connection with the exercise of such right or the curing of such Event of Default, nor shall the right of such party to reimbursement from the Lessee or any other party for the repayment of such sums

so advanced or expenses so incurred impair the prior right of the Manufacturer to the sums payable by the Lessee under the Lease.

15.3. The Manufacturer may waive any Event of Default hereunder and its consequences and rescind and annul any such declaration by notice to the Vendee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such default had existed and no such declaration had been made. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Vendee that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

15.4. Any default hereunder shall be deemed cured and not continuing if the Vendee, prior to any sale by the Manufacturer of the Equipment as provided in Section 15.3 shall pay or cause to be paid to the Manufacturer the total unpaid balance of the Conditional Sale Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement.

SECTION 16. REMEDIES.

16.1. If an Event of Default shall have occurred and be continuing as hereinbefore provided, then at any time after the entire indebtedness in respect of the Purchase Price of the Equipment shall have been declared immediately due and payable as hereinbefore provided and during the continuance of such default, the Manufacturer may, upon such further notice, if any, as may be required for compliance with any mandatory requirements of law then in force and applicable to the action to be taken by the Manufacturer, take or cause to be taken by its agent or agents immediate possession of the Equipment, or any Item thereof, without liability to return to the Vendee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Section 16 expressly provided, and may remove the same from possession and use of the Vendee (but subject to the then existing rights and interests of the Lessee under the Lease, if any) and for such purpose may enter upon premises where the Equipment may be located without judicial process if this can be done without breach of the peace, and may use and employ in connection with such removal any supplies, services and aids and any available facilities or means of the Vendee or the Lessee, with or without process of law.

16.2. In case the Manufacturer shall rightly demand possession of the Equipment in pursuance of this Agreement and shall reasonably designate a point or points of interchange for the delivery of the Equipment to the Manufacturer, the Vendee shall use its best efforts to cause the Lessee, at the expense of the Lessee, forthwith and in the usual manner to cause the Equipment to be returned in the manner provided in Section 15 of the Lease,

or if the Lease is not then in effect, at such point or points as the Manufacturer shall reasonably designate and shall there deliver the Equipment or cause it to be delivered to the Manufacturer. The agreement to deliver the Equipment as hereinbefore provided is of the essence of this Agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, the Manufacturer shall be entitled to a decree against the Vendee requiring specific performance hereof. The Vendee hereby expressly waives any and all claims against the Manufacturer and its agent or agents for damages of whatever nature in connection with any retaking of any Item of Equipment in any reasonable manner.

16.3. If an Event of Default shall have occurred and be continuing as hereinbefore provided, then at any time thereafter during the continuance of such default and after the entire indebtedness in respect of the Purchase Price of the Equipment shall have been declared immediately due and payable as hereinbefore provided, the Manufacturer with or without the retaking of possession thereof may, at its election, sell the Equipment, or any Item thereof, free from any and all claims of the Vendee, or of any other party claiming by, through or under the Vendee (but subject to the then existing rights of the Lessee under the Lease, if any), at law or in equity, at public or private sale and with or without advertisement as the Manufacturer may determine and as is commercially reasonable; and the proceeds of such sale, less the attorneys' fees and any other expenses incurred by the Manufacturer in taking possession of, removing, storing and selling the Equipment, shall be credited to the amount due to the Manufacturer under the provisions of this Agreement.

16.4. Any sale hereunder may be held or conducted at such place or places and at such time or times as the Manufacturer may specify, in one lot and as an entirety, or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Manufacturer may determine, provided that the Vendee shall be given written notice of such sale not less than ten business days prior thereto, by mail addressed as provided herein and provided further that such sale shall be conducted in a commercially reasonable manner. If such sale shall be a private sale, it shall be subject to the rights of the Vendee and the Trustor to purchase or provide a purchaser, within ten business days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. The Manufacturer may bid for and become the purchaser of the Equipment, or any Item thereof, so offered for sale without accountability to the Vendee (except to the extent of surplus money received as hereinafter provided in this Section), and in payment of the purchase price therefor the Manufacturer shall be entitled to have credited on account thereof all sums due to the Manufacturer from the Vendee hereunder.

16.5. Each and every power and remedy hereby specifically given to the Manufacturer shall be in addition to every other power

and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Manufacturer. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Manufacturer in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein.

16.6. All sums of money realized by the Manufacturer under the remedies herein provided shall be applied, first to the payment of costs and expenses of suit, if any, and of such sale and of all proper expenses, liabilities and advances, including legal expenses and attorneys' fees incurred or made by the Manufacturer (but only to the extent such costs, expenses, liabilities and advances have not been otherwise paid by the Lessee), second to the payment of interest on the indebtedness in respect of the Purchase Price of the Equipment accrued and unpaid and third to the payment of the indebtedness in respect of the Purchase Price of the Equipment. If, after applying as aforesaid all sums of money realized by the Manufacturer, there shall remain any amount due to it under the provisions of this Agreement, the Manufacturer may bring suit therefor and shall be entitled to recover a judgment therefor against the Vendee, subject to the provisions and limitations of Section 13 hereof. If, after applying as aforesaid all sums realized by the Manufacturer, there shall remain a surplus in the possession of the Manufacturer, such surplus shall be paid to the Vendee.

16.7. The Vendee, subject to the provisions and limitations of Section 13 hereof, will pay all reasonable expenses, including attorneys' fees, incurred by the Manufacturer in enforcing its remedies under the terms of this Agreement. In the event that the Manufacturer shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Manufacturer may recover reasonable expenses, including attorneys' fees and the amount thereof shall be included in such judgment.

16.8. The foregoing provisions of this Section are subject in all respects to all mandatory requirements of law at the time in force and applicable thereto. No remedies herein provided shall be exercised in such manner as to violate any rights of the Lessee under the Lease unless an Event of Default shall have occurred and be continuing under the Lease.

SECTION 17. APPLICABLE STATE LAWS.

17.1. Any provision of this Agreement prohibited by any applicable law of any state, or which by any applicable law of any

state would convert this Agreement into any instrument other than an agreement of conditional sale, shall as to such state be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any applicable state law may be waived, they are hereby waived by the Vendee to the full extent permitted by law, to the end that this Agreement shall be deemed to be a conditional sale and enforced as such.

17.2. Except as otherwise provided in this Agreement, the Vendee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell the Equipment, or any Item thereof, and any other requirements as to the time, place and terms of sale thereof, and other requirements with respect to the enforcement of the Manufacturers' rights hereunder and any and all rights of redemption.

17.3. Nothing in this Section 17 or any other provision of this Agreement shall be deemed to make ineffective, or to modify or waive, the provisions and limitations of Section 13 hereof.

SECTION 18. EXTENSION NOT A WAIVER.

No delay or omission in the exercise of any power or remedy herein provided or otherwise available to the Manufacturers shall impair or affect the Manufacturers' right thereafter to exercise the same. Any extension of time for payment hereunder or other indulgence duly granted to the Vendee shall not otherwise alter or affect the Manufacturers' rights or the obligations of the Vendee hereunder. The Manufacturers' acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Vendee's obligations or the Manufacturers' rights hereunder with respect to any subsequent payments or defaults therein.

SECTION 19. RECORDING.

Subject to the provisions and limitations of Section 13 hereof, the Vendee will cause this Agreement, the first assignment hereof and any supplements hereto and thereto (or a financing or continuation statement or similar notice thereof if and to the extent permitted or required by applicable law) to be filed, recorded or deposited and refiled, re-recorded or redeposited, if necessary, with the Interstate Commerce Commission and in all other public offices as may be required by law or reasonably requested by the Manufacturers for the purpose of proper protection, to the satisfaction of counsel for the Manufacturers and the Assignee of the security title to the Equipment and the rights of the Manufacturers under this Agreement and of the Assignee under the Assignment or for the purpose of carrying out the intention of this Agreement and the Assignment; and the Vendee or the Lessee will promptly furnish to the Manufacturers certificates

or other evidences of such filing, recording or depositing, and an opinion or opinions of counsel for the Vendee or the Lessee with respect thereto, satisfactory to the Manufacturer.

SECTION 20. NOTICE.

Any notice required or permitted to be given by any party hereto to another shall be deemed to have been given when deposited in the United States certified mail, first class, postage prepaid, addressed as follows:

(a) to the Vendee: First Security State Bank, c/o First Security Bank of Utah, N.A., 79 South Main Street, Salt Lake City, Utah 84111, Attention: Corporate Trust Department;

(b) to the Lessee: Winchester and Western Railroad Company, c/o UNIMIN Corporation, Greenwich Office Park Four, Greenwich, Connecticut 06830, Attention: Mr. Kevin Crawford, Vice President-Finance;

(c) to Pullman: Pullman Incorporated (Pullman Standard Division), 200 South Michigan Avenue, Chicago, Illinois 60604, Attention: Law Department;

(d) to Portec: Portec, Inc., 300 Windsor Drive, Oak Brook, Illinois 60521, Attention: Vice President;

(e) to the Assignee: First Security Bank of Utah, N.A., 79 South Main Street, Salt Lake City, Utah 84111, Attention: Corporate Trust Department;

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

SECTION 21. HEADINGS AND TABLE OF CONTENTS.

All section headings and the table of contents are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

SECTION 22. EFFECT AND MODIFICATION OF AGREEMENTS.

This Agreement and the Schedules relating hereto, together with the Lease exclusively and completely state the rights and agreements of the Manufacturers and the Vendee with respect to the Equipment and supersede all other agreements, oral or written,

with respect to the Equipment. No variation of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and duly executed on behalf of the Manufacturers and the Vendee. Without the prior written consent of the Manufacturers, the Vendee will not consent to any amendment, modification, waiver or supplement to the Lease or cancel or terminate the Lease prior to the payment in full of the Conditional Sale Indebtedness, together with interest thereon.

SECTION 23. LAW GOVERNING.

The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Utah.

SECTION 24. CERTAIN DEFINITIONS.

The term "Manufacturers", whenever used in this Agreement, means, before any assignment of any of their rights hereunder, Pullman Incorporated (Pullman Standard Division) and Portec, Inc., and any successor or successors for the time being to their manufacturing properties and business and, after any such assignment, any assignee or assignees for the time being of such particular assigned rights as regards such rights, and also any assignor as regards any rights hereunder that are retained and excluded from any such assignment.

SECTION 25. ASSIGNMENT OVER AND GRANT OF SECURITY INTEREST IN THE LEASE AND THE GUARANTY AGREEMENT.

25.1. (a) In order to further secure the payment of the Conditional Sale Indebtedness, the interest and premium, if any, thereon and the payment or performance of all of the Vendee's obligations contained in this Agreement, the Vendee hereby assigns, transfers and sets over to the Manufacturers and grants the Manufacturers a security interest in all right, title, interest, claims and demands of the Vendee as lessor in, under and to the Lease, and including all extensions of the term of the Lease, together with all rights, powers, privileges, options and other benefits of the Vendee as lessor under the Lease, including, without limitation, but subject to the exceptions, reservations and limitations contained in Section 25.6 below:

(i) the immediate and continuing right to receive and collect all rentals, insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable to or receivable by the lessor under the Lease pursuant thereto;

(ii) following the occurrence of an Event of Default hereunder, the right to make all waivers

and agreements with respect to the Lease and prior to the occurrence of such Event of Default, the right to concur with the Vendee in any such waivers or agreements; and

(iii) the right to take such action upon the occurrence of a default or an Event of Default under the Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Lease or by law, and to do any and all other things whatsoever which the Vendee or any lessor is or may be entitled to do under the Lease;

it being the intent and purpose hereof that the assignment and transfer to the Manufacturers of said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Manufacturers shall have the right to collect and receive said rentals and other sums for application to the payment of the Conditional Sale Indebtedness, together with the interest thereon and the other obligations of the Vendee hereby secured at all times during the period from and after the date of this Agreement until the Conditional Sale Indebtedness, together with the interest thereon and all other obligations of the Vendee hereby secured have been fully paid and discharged.

(b) In order to further secure the payment of the Conditional Sale Indebtedness, the interest and premium, if any, thereon and the payment for performance of all of the Vendee's obligations contained in this Agreement, the Vendee hereby assigns, transfers and sets over to the Manufacturers and grants the Manufacturers a security interest in all right, title, interest, claims and demands of the Vendee in, under and to the Guaranty Agreement, including without limitation, any and all sums due and to become due thereunder, insofar as the same relates to the collateral described in paragraph (a) above.

(c) Notwithstanding the provisions of paragraphs (a) and (b) above, so long as, to the knowledge of the Manufacturers, no Event of Default as defined herein or in the Lease has occurred and is continuing and no event has occurred and is continuing which would be an Event of Default as therein defined with the lapse of time or the giving of notice, or both:

(i) the amount of the installment of Interim Rental and of each monthly installment of Fixed Rental paid by the Lessee under the Lease (or by the Guarantor in respect thereof under the Guaranty Agreement) and received by the Assignee which is in excess of the installment of principal and interest due and payable on the Conditional Sale Indebtedness on the payment date of such rental installment; and

(d) all payments under Section 2 of the Guaranty Agreement which by the terms of the Guaranty Agreement are payable to the Trustor for its own account; and

(e) all rights of the Trustor under the Guaranty Agreement to demand, collect, sue for or otherwise obtain all amounts from the Guarantor due to the Trustor on account of such payments, provided that the rights accepted and reserved by this paragraph (e) shall not be deemed to include the exercise of any remedies provided for in Section 14.2 of the Lease except those contained in Section 14.2(a) thereof.

SECTION 26. CONSENT TO ASSIGNMENT.


Each Manufacturer acknowledges receipt of a copy of the Purchase Order Assignment and consents to the assignment by ITEL to the Vendee of all of ITEL's rights and interests in and to the Equipment and the related purchase orders, all on the terms and conditions set forth in the Purchase Order Assignment.

SECTION 27. EXECUTION.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. This Agreement is dated for convenience as of the date first above written.

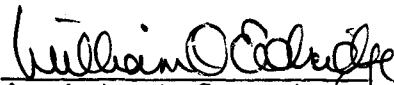
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by their officers or representatives, thereunto duly authorized, and their respective corporate seals to be hereunto affixed, duly attested, all as of the date first above written.

PULLMAN INCORPORATED
(PULLMAN STANDARD DIVISION)

By 
Its VICE President

[CORPORATE SEAL]

ATTEST:


Assistant Secretary

PORTEC, INC.

By W F Morris
Its Vice President

[CORPORATE SEAL]

ATTEST:

J. E. Herlon
Secretary

FIRST SECURITY STATE BANK,
not individually but solely
as Trustee

By W. C. M. G.
Its Trust Officer

[CORPORATE SEAL]

ATTEST:

[Signature]
Its Assistant Secretary

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 20th day of December, 1978, before me personally appeared E.T. HANQUIST, to me personally known, who, being by me duly sworn says that he is the VICE PRESIDENT of PULLMAN INCORPORATED (PULLMAN STANDARD DIVISION), that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

David R. Wood
Notary Public

[NOTARIAL SEAL]

My Commission Expires: August 24, 1981

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

On this 20th day of December, 1978, before me personally appeared N. F. Harris, to me personally known, who, being by me duly sworn says that he is the Vice President of PORTEC, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Shirley H. Bielanski
Notary Public

[NOTARIAL SEAL]

My Commission Expires: March 6, 1982

STATE OF UTAH)
) SS
COUNTY OF SALT LAKE)

On this 22 day of December, 1978, before me personally appeared WILLIAM C. MCGREGOR, to me personally known, who, being by me duly sworn says that he is the *Authorized officer* of FIRST SECURITY STATE BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Verna L. DeCora

Notary Public

[NOTARIAL SEAL]

~~My Commission Expires~~ November 15, 1981
My Commission Expires:

DESCRIPTION OF EQUIPMENT

TYPE A EQUIPMENT

MANUFACTURER: Pullman Incorporated
(Pullman Standard Division)

PLANT OF MANUFACTURER: Bessemer, Alabama

DESCRIPTION OF EQUIPMENT: 10 70-ton 50' Box Cars, AAR
Mechanical Designation XP
Marked and Numbered WW 2001
through WW 2010, both
inclusive

15 70-ton 50' Box Cars, AAR
Mechanical Designation XM
Marked and Numbered WW 2011
through WW 2025, both
inclusive

SPECIFICATIONS: Pullman's Specification No. 1009
dated May 25, 1978, as amended

BASE PRICE: \$36,320 per Type A Item (XP)
\$35,445 per Type A Item (XM)
(\$894,875 for 25 Type A Items)

MAXIMUM PURCHASE PRICE: \$37,000 per Type A Item
(\$925,000 for 25 Type A Items)

DELIVER TO: Winchester and Western
Railroad Company

PLACE OF DELIVERY: Bessemer, Alabama

ESTIMATED DELIVERY DATES: December, 1978

OUTSIDE DELIVERY DATE: January 15, 1979

(WWR Trust No. 78-1)

SCHEDULE A
(to Conditional Sale Agreement)

DESCRIPTION OF EQUIPMENT

TYPE B EQUIPMENT

MANUFACTURER: Portec, Inc.

PLANT OF MANUFACTURER: Clinton, Illinois

DESCRIPTION OF EQUIPMENT: 75 100-ton 3,000 cu. ft.
Covered Hopper Cars,
Marked and Numbered
WW 1001 through
WW 1075, both
inclusive

SPECIFICATIONS: Specification H100-730628
dated May 11, 1978, including
revisions

BASE PRICE: \$37,391 per Type B Item
(\$2,804,325 for 75 Type B Items)

MAXIMUM PURCHASE PRICE: \$38,256 per Type B Item
(\$2,869,202 for 75 Type B Items)

DELIVER TO: Winchester and Western
Railroad Company

PLACE OF DELIVERY: Clinton, Illinois

ESTIMATED DELIVERY DATES: June - July, 1979

OUTSIDE DELIVERY DATE: September 15, 1979

(WWR Trust No. 78-1)

SCHEDULE A
(continued)

AMORTIZATION SCHEDULE

(Payments Required per \$1,000,000 Conditional Sale Indebtedness
relating to Type A Equipment
pursuant to Section 3.3(b)(1) of the Conditional Sale Agreement)

<u>Payment Date</u>	<u>Payments of Principal</u>	<u>Payments of Interest</u>	<u>Total Payments</u>
2/15/79	\$ 2,164.12	\$8,750.00	\$10,914.12
3/15/79	2,183.06	8,731.06	10,914.12
4/15/79	2,202.16	8,711.96	10,914.12
5/15/79	2,221.43	8,692.69	10,914.12
6/15/79	2,240.87	8,753.65	10,914.12
7/15/79	2,260.47	8,653.65	10,914.12
8/15/79	2,280.25	8,633.87	10,914.12
9/15/79	2,300.20	8,613.92	10,914.12
10/15/79	2,320.33	8,593.79	10,914.12
11/15/79	2,340.63	8,573.49	10,914.12
12/15/79	2,361.11	8,553.01	10,914.12
1/15/80	2,381.77	8,532.35	10,914.12
2/15/80	2,402.61	8,511.51	10,914.12
3/15/80	2,423.64	8,490.48	10,914.12
4/15/80	2,444.84	8,469.28	10,914.12
5/15/80	2,466.24	8,447.88	10,914.12
6/15/80	2,487.82	8,426.30	10,914.12
7/15/80	2,509.58	8,404.54	10,914.12
8/15/80	2,531.54	8,382.58	10,914.12
9/15/80	2,553.69	8,360.43	10,914.12
10/15/80	2,576.04	8,338.08	10,914.12
11/15/80	2,598.58	8,315.54	10,914.12
12/15/80	2,621.32	8,292.80	10,914.12
1/15/81	2,644.25	8,269.87	10,914.12
2/15/81	2,667.39	8,246.73	10,914.12
3/15/81	2,690.73	8,223.39	10,914.12
4/15/81	2,714.27	8,199.85	10,914.12
5/15/81	2,738.02	8,176.10	10,914.12
6/15/81	2,761.98	8,152.14	10,914.12
7/15/81	2,786.15	8,127.97	10,914.12
8/15/81	2,810.53	8,103.59	10,914.12
9/15/81	2,835.12	8,079.00	10,914.12
10/15/81	2,859.93	8,054.19	10,914.12
11/15/81	2,884.95	8,029.17	10,914.12
12/15/81	2,910.19	8,003.93	10,914.12
1/15/82	2,935.66	7,978.46	10,914.12
2/15/82	2,961.35	7,952.77	10,914.12
3/15/82	2,987.26	7,926.86	10,914.12
4/15/82	3,013.40	7,900.72	10,914.12
5/15/82	3,039.76	7,874.36	10,914.12
6/15/82	3,066.36	7,847.76	10,914.12

SCHEDULE B
(to Conditional Sale Agreement)

AMORTIZATION SCHEDULE

(Payments Required per \$1,000,000 Conditional Sale Indebtedness
relating to Type A Equipment
pursuant to Section 3.3(b)(1) of the Conditional Sale Agreement)

<u>Payment Date</u>	<u>Payments of Principal</u>	<u>Payments of Interest</u>	<u>Total Payments</u>
7/15/82	\$ 3,093.19	\$7,820.93	\$10,914.12
8/15/82	3,120.26	7,793.86	10,914.12
9/15/82	3,147.56	7,766.56	10,914.12
10/15/82	3,175.10	7,739.02	10,914.12
11/15/82	3,202.88	7,711.24	10,914.12
12/15/82	3,230.91	7,683.21	10,914.12
1/15/83	3,259.18	7,654.94	10,914.12
2/15/83	3,287.70	7,626.42	10,914.12
3/15/83	3,316.46	7,597.66	10,914.12
4/15/83	3,345.48	7,568.64	10,914.12
5/15/83	3,374.76	7,539.36	10,914.12
6/15/83	3,404.29	7,509.83	10,914.12
7/15/83	3,434.07	7,480.05	10,914.12
8/15/83	3,464.12	7,450.00	10,914.12
9/15/83	3,494.43	7,419.69	10,914.12
10/15/83	3,525.01	7,389.11	10,914.12
11/15/83	3,555.85	7,358.27	10,914.12
12/15/83	3,586.97	7,327.15	10,914.12
1/15/84	3,618.35	7,295.77	10,914.12
2/15/84	3,650.01	7,264.11	10,914.12
3/15/84	3,681.95	7,232.17	10,914.12
4/15/84	3,714.17	7,199.95	10,914.12
5/15/84	3,746.67	7,167.45	10,914.12
6/15/84	3,779.45	7,134.67	10,914.12
7/15/84	3,812.52	7,101.60	10,914.12
8/15/84	3,845.88	7,068.24	10,914.12
9/15/84	3,879.53	7,034.59	10,914.12
10/15/84	3,913.48	7,000.64	10,914.12
11/15/84	3,947.72	6,966.40	10,914.12
12/15/84	3,982.26	6,931.86	10,914.12
1/15/85	4,017.11	6,897.01	10,914.12
2/15/85	4,052.26	6,861.86	10,914.12
3/15/85	4,087.71	6,826.41	10,914.12
4/15/85	4,123.48	6,790.64	10,914.12
5/15/85	4,159.56	6,754.56	10,914.12
6/15/85	4,195.96	6,718.16	10,914.12
7/15/85	4,232.67	6,681.45	10,914.12
8/15/85	4,269.71	6,644.41	10,914.12
9/15/85	4,307.07	6,607.05	10,914.12
10/15/85	4,344.75	6,569.37	10,914.12
11/15/85	4,382.77	6,531.35	10,914.12
12/15/85	4,421.12	6,493.00	10,914.12

AMORTIZATION SCHEDULE

(Payments Required per \$1,000,000 Conditional Sale Indebtedness
relating to Type A Equipment
pursuant to Section 3.3(b)(1) of the Conditional Sale Agreement)

<u>Payment Date</u>	<u>Payments of Principal</u>	<u>Payments of Interest</u>	<u>Total Payments</u>
1/15/86	\$ 4,459.81	\$6,454.31	\$10,914.12
2/15/86	4,498.83	6,415.29	10,914.12
3/15/86	4,538.19	6,375.93	10,914.12
4/15/86	4,577.90	6,336.22	10,914.12
5/15/86	4,617.96	6,296.16	10,914.12
6/15/86	4,658.37	6,255.79	10,914.12
7/15/86	4,699.13	6,214.99	10,914.12
8/15/86	4,740.24	6,173.88	10,914.12
9/15/86	4,781.72	6,132.40	10,914.12
10/15/86	4,823.56	6,090.56	10,914.12
11/15/86	4,865.77	6,048.35	10,914.12
12/15/86	4,908.34	6,005.78	10,914.12
1/15/87	4,951.29	5,962.83	10,914.12
2/15/87	4,994.62	5,919.50	10,914.12
3/15/87	5,038.32	5,875.80	10,914.12
4/15/87	5,082.40	5,831.72	10,914.12
5/15/87	5,126.87	5,787.25	10,914.12
6/15/87	5,171.73	5,742.39	10,914.12
7/15/87	5,216.99	5,697.13	10,914.12
8/15/87	5,262.64	5,651.48	10,914.12
9/15/87	5,308.68	5,605.44	10,914.12
10/15/87	5,355.13	5,558.99	10,914.12
11/15/87	5,401.99	5,512.13	10,914.12
12/15/87	5,449.26	5,464.86	10,914.12
1/15/88	5,496.94	5,417.18	10,914.12
2/15/88	5,545.04	5,369.08	10,914.12
3/15/88	5,593.56	5,320.56	10,914.12
4/15/88	5,642.50	5,271.62	10,914.12
5/15/88	5,691.87	5,222.25	10,914.12
6/15/88	5,741.68	5,172.44	10,914.12
7/15/88	5,791.92	5,122.20	10,914.12
8/15/88	5,842.60	5,071.52	10,914.12
9/15/88	5,893.72	5,020.40	10,914.12
10/15/88	5,945.29	4,968.83	10,914.12
11/15/88	5,997.31	4,916.81	10,914.12
12/15/88	6,049.79	4,864.33	10,914.12
1/15/89	6,102.72	4,811.40	10,914.12
2/15/89	6,156.12	4,758.00	10,914.12
3/15/89	6,209.99	4,704.13	10,914.12
4/15/89	6,264.32	4,649.80	10,914.12
5/15/89	6,319.14	4,594.98	10,914.12
6/15/89	6,374.43	4,539.69	10,914.12

AMORTIZATION SCHEDULE

(Payments Required per \$1,000,000 Conditional Sale Indebtedness
relating to Type A Equipment
pursuant to Section 3.3(b)(1) of the Conditional Sale Agreement)

<u>Payment Date</u>	<u>Payments of Principal</u>	<u>Payments of Interest</u>	<u>Total Payments</u>
7/15/89	\$ 6,430.21	\$4,483.91	\$10,914.12
8/15/89	6,486.47	4,427.65	10,914.12
9/15/89	6,543.23	4,370.89	10,914.12
10/15/89	6,600.48	4,313.64	10,914.12
11/15/89	6,658.23	4,255.89	10,914.12
12/15/89	6,716.49	4,197.63	10,914.12
1/15/90	5,153.34	4,138.86	9,292.20
2/15/90	5,198.44	4,093.76	9,292.20
3/15/90	5,243.92	4,048.28	9,292.20
4/15/90	5,289.81	4,002.39	9,292.20
5/15/90	5,336.09	3,956.11	9,292.20
6/15/90	5,382.78	3,909.42	9,292.20
7/15/90	5,429.88	3,862.32	9,292.20
8/15/90	5,477.39	3,814.81	9,292.20
9/15/90	5,525.32	3,766.88	9,292.20
10/15/90	5,573.67	3,718.53	9,292.20
11/15/90	5,622.44	3,669.76	9,292.20
12/15/90	5,671.63	3,620.57	9,292.20
1/15/91	3,785.70	3,570.94	7,356.64
2/15/91	3,818.82	3,537.82	7,356.64
3/15/91	3,852.24	3,504.40	7,356.64
4/15/91	3,885.95	3,470.69	7,356.64
5/15/91	3,919.95	3,436.69	7,356.64
6/15/91	3,954.25	3,402.39	7,356.64
7/15/91	3,988.85	3,367.79	7,356.64
8/15/91	4,023.75	3,332.89	7,356.64
9/15/91	4,058.96	3,297.68	7,356.64
10/15/91	4,094.47	3,262.17	7,356.64
11/15/91	4,130.30	3,226.34	7,356.64
12/15/91	4,166.44	3,190.20	7,356.64
1/15/92	3,993.43	3,153.74	7,147.17
2/15/92	4,028.37	3,118.80	7,147.17
3/15/92	4,063.62	3,083.55	7,147.17
4/15/92	4,099.17	3,048.00	7,147.17
5/15/92	4,135.04	3,012.13	7,147.17
6/15/92	4,171.22	2,975.95	7,147.17
7/15/92	4,207.72	2,939.45	7,147.17
8/15/92	4,244.54	2,902.63	7,147.17
9/15/92	4,281.68	2,865.49	7,147.17
10/15/92	4,319.14	2,828.03	7,147.17
11/15/92	4,356.94	2,790.23	7,147.17
12/15/92	4,395.06	2,752.11	7,147.17

AMORTIZATION SCHEDULE

(Payments Required per \$1,000,000 Conditional Sale Indebtedness
relating to Type A Equipment
pursuant to Section 3.3(b)(1) of the Conditional Sale Agreement)

<u>Payment Date</u>	<u>Payments of Principal</u>	<u>Payments of Interest</u>	<u>Total Payments</u>
7/15/96	\$ 9,755.77	\$ 613.46	\$10,369.23
8/15/96	9,841.13	528.10	10,369.23
9/15/96	9,927.24	441.99	10,369.23
10/15/96	10,014.11	355.12	10,369.23
11/15/96	10,101.73	267.50	10,369.23
12/15/96	10,190.12	179.11	10,369.23
1/15/97	10,279.42	89.94	10,369.36

AMORTIZATION SCHEDULE

(Payments Required per \$1,000,000 Conditional Sale Indebtedness
relating to Type B Equipment
pursuant to Section 3.3(b)(2) of the Conditional Sale Agreement)

<u>Payment Date</u>	<u>Payments of Principal</u>	<u>Payments of Interest</u>	<u>Total Payments</u>
10/15/79	\$ 2,178.61	\$8,750.00	\$10,928.61
11/15/79	2,197.67	8,730.94	10,928.61
12/15/79	2,216.90	8,711.71	10,928.61
1/15/80	2,236.30	8,692.31	10,928.61
2/15/80	2,255.87	8,672.74	10,928.61
3/15/80	2,275.61	8,653.00	10,928.61
4/15/80	2,295.52	8,633.09	10,928.61
5/15/80	2,315.61	8,613.00	10,928.61
6/15/80	2,335.87	8,592.74	10,928.61
7/15/80	2,356.31	8,572.30	10,928.61
8/15/80	2,376.92	8,551.69	10,928.61
9/15/80	2,397.72	8,530.89	10,928.61
10/15/80	2,418.70	8,509.91	10,928.61
11/15/80	2,439.86	8,488.75	10,928.61
12/15/80	2,461.21	8,467.40	10,928.61
1/15/81	2,482.75	8,445.86	10,928.61
2/15/81	2,504.47	8,424.14	10,928.61
3/15/81	2,526.39	8,402.22	10,928.61
4/15/81	2,548.49	8,380.12	10,928.61
5/15/81	2,570.79	8,357.82	10,928.61
6/15/81	2,593.29	8,335.32	10,928.61
7/15/81	2,615.98	8,312.63	10,928.61
8/15/81	2,638.87	8,289.74	10,928.61
9/15/81	2,661.96	8,266.65	10,928.61
10/15/81	2,685.25	8,243.36	10,928.61
11/15/81	2,708.75	8,219.86	10,928.61
12/15/81	2,732.45	8,196.16	10,928.61
1/15/82	2,756.36	8,172.25	10,928.61
2/15/82	2,780.48	8,148.13	10,928.61
3/15/82	2,804.80	8,123.81	10,928.61
4/15/82	2,829.35	8,099.26	10,928.61
5/15/82	2,854.10	8,074.51	10,928.61
6/15/82	2,879.08	8,049.53	10,928.61
7/15/82	2,904.27	8,024.34	10,928.61
8/15/82	2,929.68	7,998.93	10,928.61
9/15/82	2,955.32	7,973.29	10,928.61
10/15/82	2,981.18	7,947.43	10,928.61
11/15/82	3,007.26	7,921.35	10,928.61
12/15/82	3,033.57	7,895.04	10,928.61
1/15/83	3,060.12	7,868.49	10,928.61
2/15/83	3,086.89	7,841.72	10,928.61
3/15/83	3,113.91	7,814.70	10,928.61

AMORTIZATION SCHEDULE

(Payments Required per \$1,000,000 Conditional Sale Indebtedness
relating to Type B Equipment
pursuant to Section 3.3(b)(2) of the Conditional Sale Agreement)

<u>Payment Date</u>	<u>Payments of Principal</u>	<u>Payments of Interest</u>	<u>Total Payments</u>
4/15/90	\$ 6,529.90	\$4,398.71	\$10,928.61
5/15/90	6,587.04	4,341.57	10,928.61
6/15/90	6,644.68	4,283.93	10,928.61
7/15/90	6,702.82	4,225.79	10,928.61
8/15/90	6,761.47	4,167.14	10,928.61
9/15/90	6,820.63	4,107.96	10,928.61
10/15/90	6,880.31	4,048.30	10,928.61
11/15/90	6,940.52	3,988.09	10,928.61
12/15/90	7,001.25	3,927.36	10,928.61
1/15/91	7,062.51	3,866.10	10,928.61
2/15/91	7,124.30	3,804.31	10,928.61
3/15/91	4,033.15	3,741.97	7,775.12
4/15/91	4,068.44	3,706.68	7,775.12
5/15/91	4,104.04	3,671.08	7,775.12
6/15/91	4,139.95	3,635.17	7,775.12
7/15/91	4,176.17	3,598.95	7,775.12
8/15/91	4,212.72	3,562.40	7,775.12
9/15/91	4,249.58	3,525.54	7,775.12
10/15/91	4,286.76	3,488.36	7,775.12
11/15/91	4,324.27	3,450.85	7,775.12
12/15/91	4,362.11	3,413.01	7,775.12
1/15/92	4,400.27	3,374.85	7,775.12
2/15/92	4,438.78	3,336.34	7,775.12
3/15/92	3,894.25	3,297.51	7,191.76
4/15/92	3,928.33	3,263.43	7,191.76
5/15/92	3,962.70	3,229.06	7,191.76
6/15/92	3,997.38	3,194.38	7,191.76
7/15/92	4,032.36	3,159.40	7,191.76
8/15/92	4,067.64	3,124.12	7,191.76
9/15/92	4,103.23	3,088.53	7,191.76
10/15/92	4,139.13	3,052.63	7,191.76
11/15/92	4,175.35	3,016.41	7,191.76
12/15/92	4,211.89	2,979.87	7,191.76
1/15/93	4,248.74	2,943.02	7,191.76
2/15/93	4,285.92	2,905.84	7,191.76
3/15/93	4,107.94	2,868.34	6,976.28
4/15/93	4,143.88	2,832.40	6,976.28
5/15/93	4,180.14	2,796.14	6,976.28
6/15/93	4,216.72	2,759.56	6,976.28
7/15/93	4,253.61	2,722.67	6,976.28
8/15/93	4,290.83	2,685.45	6,976.28
9/15/93	4,328.38	2,647.90	6,976.28

AMORTIZATION SCHEDULE

(Payments Required per \$1,000,000 Conditional Sale Indebtedness
relating to Type B Equipment
pursuant to Section 3.3(b)(2) of the Conditional Sale Agreement)

<u>Payment Date</u>	<u>Payments of Principal</u>	<u>Payments of Interest</u>	<u>Total Payments</u>
10/15/93	\$ 4,366.25	\$2,610.03	\$ 6,976.28
11/15/93	4,404.45	2,571.83	6,976.28
12/15/93	4,442.99	2,533.29	6,976.28
1/15/94	4,481.87	2,494.41	6,976.28
2/15/94	4,521.09	2,455.19	6,976.28
3/15/94	4,333.36	2,415.63	6,748.99
4/15/94	4,371.27	2,377.72	6,748.99
5/15/94	4,409.52	2,339.47	6,748.99
6/15/94	4,448.11	2,300.88	6,748.99
7/15/94	4,487.03	2,261.96	6,748.99
8/15/94	4,526.29	2,222.70	6,748.99
9/15/94	4,565.89	2,183.10	6,748.99
10/15/94	4,605.85	2,143.14	6,748.99
11/15/94	4,646.15	2,102.84	6,748.99
12/15/94	4,686.80	2,062.19	6,748.99
1/15/95	4,727.81	2,021.18	6,748.99
2/15/95	4,769.18	1,979.81	6,748.99
3/15/95	4,571.13	1,938.08	6,509.21
4/15/95	4,611.13	1,898.08	6,509.21
5/15/95	4,651.48	1,857.73	6,509.21
6/15/95	4,692.18	1,817.03	6,509.21
7/15/95	4,733.23	1,775.98	6,509.21
8/15/95	4,774.65	1,734.56	6,509.21
9/15/95	4,816.43	1,692.78	6,509.21
10/15/95	4,858.57	1,650.64	6,509.21
11/15/95	4,901.08	1,608.13	6,509.21
12/15/95	4,943.97	1,565.24	6,509.21
1/15/96	4,987.23	1,521.98	6,509.21
2/15/96	5,030.87	1,478.34	6,509.21
3/15/96	7,308.57	1,434.32	8,742.89
4/15/96	7,372.52	1,370.37	8,742.89
5/15/96	7,437.03	1,305.86	8,742.89
6/15/96	7,502.10	1,240.79	8,742.89
7/15/96	7,567.74	1,175.15	8,742.89
8/15/96	7,633.96	1,108.93	8,742.89
9/15/96	7,700.76	1,042.13	8,742.89
10/15/96	7,768.14	974.75	8,742.89
11/15/96	7,836.11	906.78	8,742.89
12/15/96	7,904.68	838.21	8,742.89
1/15/97	7,973.84	769.05	8,742.89
2/15/97	8,043.61	699.28	8,472.89
3/15/97	10,001.55	628.90	10,630.45

AMORTIZATION SCHEDULE

(Payments Required per \$1,000,000 Conditional Sale Indebtedness
relating to Type B Equipment
pursuant to Section 3.3(b)(2) of the Conditional Sale Agreement)

<u>Payment Dates</u>	<u>Payments of Principal</u>	<u>Payments of Interest</u>	<u>Total Payments</u>
4/15/97	\$10,089.07	\$ 541.38	\$10,630.45
5/15/97	10,177.35	453.10	10,630.45
6/15/97	10,266.40	364.05	10,630.45
7/15/97	10,356.23	274.22	10,630.45
8/15/97	10,446.85	183.60	10,630.45
9/15/97	10,537.09	92.19	10,629.28